



HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i 96813

Committee: Committee on Higher Education & Technology
Bill Number: H.B. 1064
Hearing Date/Time: February 10, 2021, 2:00 p.m.
Re: Testimony of the Hawai‘i State Ethics Commission with
COMMENTS on H.B. 1064, Relating to Technology Transfer at the
University of Hawai‘i

Dear Chair Takayama, Vice Chair DeCoite, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) is aware that the Legislature is considering H.B. 1064, which seeks to remove the sunset provision in Act 38, Session Laws of Hawai‘i 2017. The Commission is likewise aware that the Legislature is considering H.B. 1065, which seeks to remove the sunset provision in Act 39, Session Laws of Hawai‘i 2017.

The Commission has received information from the Office of the Vice President for Research and Innovation and the Office of the Vice President for Legal Affairs regarding these matters. The Commission understands that the University of Hawai‘i has developed and implemented various policies and procedures to effectuate technology transfer activities in accordance with Act 38 and Act 39.

The Commission does not have further testimony on these matters at this time.

Thank you for your continuing support of the Commission’s work and for considering the Commission’s testimony on H.B. 1064.

Very truly yours,

Daniel M. Gluck
Executive Director & General Counsel



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented to the
House Committee on Higher Education & Technology
Wednesday, February 10, 2021 at 2:00 p.m.

by
Vassilis L. Syrmos
Vice President, Research and Innovation
University of Hawai'i System

HB 1064 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Takayama, Vice Chair DeCoite, and members of the Committee:

The University of Hawai'i (UH) supports this bill.

In 2017, the Legislature supported UH's efforts to promote the commercialization of inventions and discoveries generated by its faculty, students and alumni by giving UH the responsibility to ensure that the technology transfer activities it sponsors comport with principles embodied in the State Ethics Code. Pursuant to Act 38, Session Laws of Hawai'i 2017, University of Hawai'i sponsored technology transfer activities would be exempt from specific sections of the State Ethics Code so long as these technology transfer activities were subject to ethic policies and a compliance program established by UH specifically adapted to the unique features of university-generated innovations. Unfortunately, this much-needed authority granted to UH under Act 38 sunsets on June 30, 2022.

The University of Hawai'i has issued a Regents Policy, an Executive Policy, and has drafted administrative procedures to require and assure compliance with an "Act 38" management plan. This management plan is designed to identify, address, and mitigate conflicts of interest that arise during technology transfer activities involving UH faculty. To date, UH has successfully implemented the Act 38 policies and procedures for three faculty startups.

As the University of Hawai'i has established and is implementing the necessary policies and procedures that ethically govern its technology transfer activities, UH respectfully request that the sunset provision of Act 38, Session Laws of Hawai'i 2017, be repealed.



Testimony to the House Committee on Higher Education & Technology

Wednesday, February 10, 2021

2:00 P.M.

Conference Room 309

HB 1064: RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Takayama, Vice Chair DeCoite and Members of the Committees:

My name is Gary Kai and I am the Executive Director of the Hawaii Business Roundtable. The Hawaii Business Roundtable supports House Bill 1064 to allow the University to continue its work in research commercialization and economic development by removing the sunset provision in Act 38.

The Hawaii Business Roundtable strongly believes that a strong research and innovation sector led by the University of Hawaii will be a large and important magnet for new money and new fields of job growth in Hawai'i. We supported the Legislature in the creation of Act 38. We agree with the Legislature that the commercialization of the intellectual property created by basic and applied research conducted at the University of Hawaii, holds great promise to contribute to the creation of jobs and economic growth. As we begin to rebuild our economy from the losses suffered during the pandemic, commercialization of the University's research is an even more important component of the creation of jobs here in Hawaii.

The exemption from sections of the State Ethics Code must be balanced with the development of ethics policies by the University. We believe that the University has reasonable polices that insure the balance between the partnership arrangements and the benefits to the public. We support the University's efforts to continue to build and improve its compliance program and to help build our economy through its commercialization efforts. We fully support the request to delete the sunset provision of Act 38.

Thank you very much for the opportunity to testify.

Gary K. Kai, Executive Director
Hawaii Business Roundtable